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The Competitiveness and Trade Expansion Program

## QUARTERLY TECHNICAL REPORT

### QUARTER 1

(APRIL – JUNE 2010)

*BY*



## KENYA TRANSPORT ASSOCIATION

KTA EXECUTIVE COMMITTEE AND THE COMPETE USAID TRANSIT TEAM



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## 1.0 INTRODUCTION

The Kenya Transport Association (KTA) is an association of road transporters and is registered under the Societies Act in the Kenyan laws. It seeks to instill safety, discipline and professionalism in trucking.

The COMPETE grant to KTA is intended to strengthen the institutional capacity of KTA to transform it into a strong, effective and self-sustaining association that would strongly advocate for better policies in the transport industry, enhance road safety, reduce both tariff and non-tariff trade barriers and campaign for ethical business practices, leading to the development and growth of a safe, reliable, professional and environmentally friendly trucking industry hence reduced cost of living in the region.

## 2.0 OBJECTIVE

As a result of COMPETE'S grant, KTA will improve its capacity and administrative structures to be able to advocate for efficient, better transport policies, reduced costs and fair competition in road transport. KTA will create an efficient secretariat that will improve services to members, instill professionalism, and increase participation of small and upcoming transporters in the transport business by linking them to existing and new networks of transport businesses within the region. Among the new members targeted are female transporters.

## 3.0 NARRATIVE REPORT

### 3.1 INSTITUTIONAL DEVELOPMENT & SUSTAINABILITY

## STAFF EMPLOYMENT CONTRACTS ISSUED

The staff at the secretariat received their reviewed contracts in May 2010. This motivated them and assured their relationship with KTA. It is important to note that two of them had served the Association for more than 1 year but were yet to be formally engaged. However with the USAID COMPETE funding this was made possible.

## KTA SECRETARIAT TEAM



## KTA MAGAZINE

The KTA Magazine, a quarterly magazine has been finalized and sent to press. Final product is expected by 22/7/10.

Status: A draft copy was sent to USAID COMPETE for technical advice which we are truly grateful.

Challenge: Due to earlier inconsistency, clients were hesitant on engaging with us. However, we anticipate more revenue in the next issue slated for the third quarter.

## 3.2 MEMBERSHIP DEVELOPMENT

### KTA E-NEWSLETTER

This is edited, published and circulated by the Secretariat. Each edition covers specific pillar activities so as to create awareness on the industry.

Status: Ongoing, has increased member appreciation of KTA services.

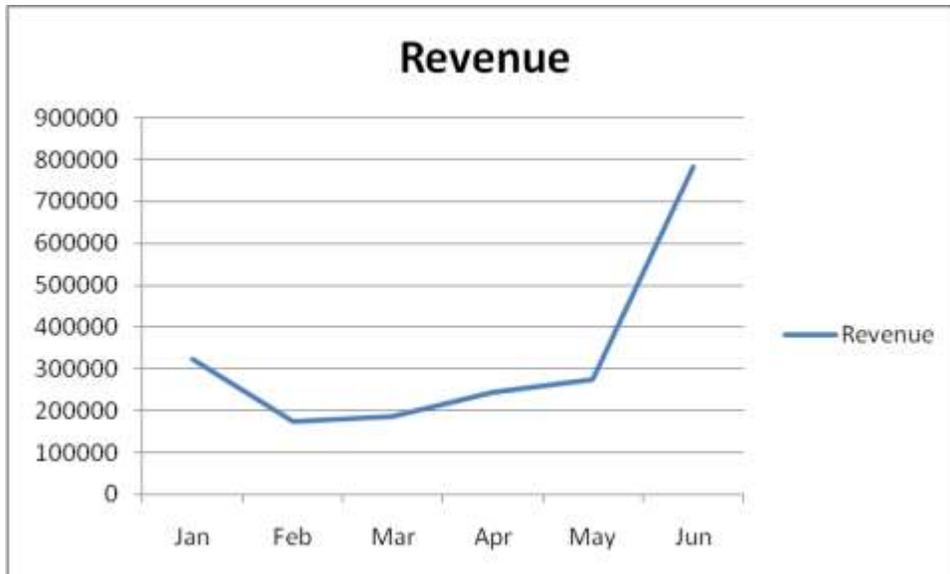
Challenge: Technical input on both layout and content.

### MEMBERSHIP RECRUITMENT

The KTA Secretariat team went out on a membership recruitment drive that stretched from Mombasa Island to Mariakani weighbridge which is 30 kilometers away.

Status: We have seen a doubling in number of paid-up members currently at 114 compared to 76 paid-up members in 2009.

Below; revenue from membership subscription has had a sharp curve upwards especially in the month of June due to increased member related activities.



### 3.3 ADVOCACY

In a bid to meet its objective, KTA held several meetings with stakeholders as listed below;

#### MEETING WITH THE COMMISSIONER OF CUSTOMS, KRA

The meeting was held on 26/5/2010 at the Commissioner's office to discuss the upcoming Electronic Cargo Tracking System. KTA representing the major stakeholders to this system presented their concerns to the Commissioner who promised to get back to us.

**Status:** The Commissioner did not address issues raised and although the 30/6/2010 deadline is yet to be fully enforced, KTA members have resolved not to bear the cost of installing the gadgets since it is the Customs' obligation.

#### KENYA MARITIME AUTHORITY

The Kenya Maritime Authority was requested to arbitrate between

KTA and the Municipal Council of Mombasa on arbitrary introduction of parking fees and irregularly awarded parking yards for heavy commercial vehicles.

Status: The parking fees was reviewed however harassment of members continued unabated hence KTA sought justice through requesting of a judicial review of the gazette notice that introduced the parking areas.

Challenge: As much as we obtained a stay order, the Municipal Council was able to quash it in one day. Our advocacy methods seem to be wanting.

Suggestion: The advocacy sub-committee should attend a course on effective advocacy methods.

## MEETINGS TO ADDRESS TRAFFIC CONGESTION IN MOMBASA

These are bi-monthly meetings chaired by the Provincial Commissioner comprising of all relevant stakeholders to address immediate and long-term solution to traffic congestion within Mombasa.

Status: Ongoing, achieved inclusion in major traffic management decisions from the Provincial administrative level. We are currently involved in formulation of an efficient call-up system by the Port of Mombasa and all other loading areas.

### 3.4 CERTIFICATION & STANDARDS

The KTA Chairman who also chairs the certification and standards sub-committee and the Executive Officer attended a Road Safety Conference in South Africa from 7-9/6/2010. They shared road safety initiatives and success stories with colleagues in the region.

In addition the Secretariat has opened partnership opportunities for training with North Star Alliance (HIV/AIDS) and Petroleum Institute of East Africa on safety training specifically for Petroleum product drivers.

Status: Ongoing, expected achievement includes wholesome industry training and workshops along the Northern Corridor.

### 3.5 MEMBERS SERVICES

#### MEMBERS MEETINGS

KTA has held 10 member meetings during this quarter. We have seen a consistent increase in attendance attracting even foreign truck owners who would like to become members.

Status: Ongoing, achieved cohesion among members.

#### NORTH STAR FOUNDATION

KTA is working with the North Star Foundation which has established Wellness Centers along the Northern Corridor for support and treatment of minor ailments, STI's and HIV/AIDS specifically for truck drivers.

Challenge: KTA would like to take up the management of these centers for the wellness of our employees in the next phase of the

#### SENSITIZATION MEETING ON ECTS

The Secretariat held a sensitization meeting on the Electronic Cargo Tracking System well attended by members and other interested

stakeholders. We raised Kes 500,000 from the meeting. Exhibitors at the Travellers Beach Hotel ECTS Sensitization meeting on 16/6/2010

Friday 18/6/2010

## Transporters cry foul over cargo tracking costs

**NATION Correspondent**

With two weeks to the deadline for installation of electronic cargo tracking systems on transit trucks, transporters are accusing the Kenya Revenue Authority of forcing them to buy the gadgets from its supplier.

They also accused KRA of failing to follow procurement procedures.

The transporters have also termed the prices being offered by Navisat Teremate — the company licensed to sell the devices — as exorbitant and demanded that KRA license other vendors.

They also asked that the deadline be extended. Only 400 vehicles have been fitted with the device.

The electronic devices, which will enable KRA to track transit cargo between the Mombasa port and the Malaba border, were supposed to have been fitted on the trucks by June 30.

During a sensitisation workshop at the Travellers Beach Hotel on Wednesday, Navisat officials said the company is charging \$850 (about Sh66,300) for the system reader, \$250 (Sh19,500) for the seal, \$100 (Sh7,800) for installation, and Sh2,500 monthly for the service for every truck.

However, SGS, another company that has been licensed to sell the devices but whose system is yet to be tested to determine whether it has fully been integrated with the KRA system, is charging \$650 (about Sh50,700) for the reader.

**Lease the seals**

"To reduce the initial cost of installation to the transporter, we will lease the seals to them for only \$1 (Sh75) and Sh1,500 monthly for the service," said Mr Isaac Kwoba, SGS promotions manager, East and Southern Africa. The price variations have outraged the transporters and they have complained that the initial cost of installing the device was too high.

**Opposed**

"We are not opposed to the system because we know it has benefits. But if the prices can vary so much, then with licensing of more vendors we will get better rates," said the Kenya Transporters Association chief executive, Ms Eunice Mwanjalo.

"Transporters do not want a situation where there is a cartel-like operation meant to benefit only a few individuals," said Mr John Kaingu, a strategic consultant with Globalnet Enterprises.

However, Mr Collins Mukhongo, the assistant commissioner for ICT, defended KRA, insisting that the procurement process was transparent and above board.

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cartel-like  
operation

### PUBLIC NOTICE

The Kenya Transport Association wishes to bring to the attention of its members, jobless companies, manufacturers, exporters & Importers, Kenya Ports Authority & CPAs and other stakeholders and the general public that its members will participate in a peaceful strike on Monday 19th April 2010. The membership is called upon to withdraw their trucks from loading/unloading and should remain in their yards to protect the relations deemed by Mombasa Municipal Council to introduce a daily parking fee on our members as follows:

Short trucks	700
Trailers/Semi-trailers	800
Full Tankers	1,000
Containers/Chassis	600
Clamping fee	4,000

- The government of the town did not include parking yards in all loading areas and depots, including the Port of Mombasa. This is in contrast to the situation prevailing in such loading depots as Bamburi, Crain Bank Handling, security offices. The transporter and ultimately the tertiary manufacturer should not be made to carry a burden that is not their creation.
- Due to the nature of the sea port of Mombasa, loading and offloading is not linked to one place. This is therefore likely to see trucks traversing the streets such as Changamwe and Port Road to load off load cargo.
- Our members both individually do not have parking yards in Mombasa. It is the responsibility of NPA, and the Municipal Council to provide land (at a reasonable fee) to act as a parking yard for trucks waiting to load.
- Introducing more costs associated with using the port of Mombasa will make the port more expensive. This comes at a time when numerous studies and reports have shown that movement of a container from Mombasa to Kampala, 1,200km, is more expensive than shipping the same container from Malindi to Mombasa.
- This cost is likely to hit Legation and Warehouses as they have no parking yards in Mombasa. We fear that their Governments are likely to retaliate by charging to load/off load to their countries.

Finally we wish to state that the idea of introducing parking yards is welcome relief to the transport industry but the procedures must be open to make it competitive and affordable. There is no way our members can bear more costs to the tune of Ksh1000 per day for a truck awaiting loading/offloading in industrial areas of Mombasa. Paying Ksh1,000 per day will not solve the problem of congestion because the trucks will of necessity have to visit these areas for loading/offloading.

**EXECUTIVE COMMITTEE  
KENYA TRANSPORT ASSOCIATION**

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DAILY NATION - FRIDAY 16<sup>th</sup> APRIL 2010



Participants

